



[4335-30]

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

[Docket No. ONRR-2011-0018; DS63644000 DR2000000.CH7000 189D0102R2]

Notice of Audit Delegation Renewal for the States of Montana, New Mexico, and Oklahoma

AGENCY: Office of the Secretary, Office of Natural Resources Revenue, Interior.

ACTION: Notice.

SUMMARY: The Office of Natural Resources Revenue (ONRR) renewed current delegations of audit and investigation authority for the States of Montana, New Mexico, and Oklahoma. This notice gives members of the public an opportunity to review and comment on the States' delegations.

DATES: Submit written comments on or before **[INSERT DATE 30 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: You may submit comments on this notice by any of the following methods:

- Electronically go to <http://www.regulations.gov>. In the entry titled "Enter Keyword or ID," enter "ONRR-2011-0018," and then click search. Follow the instructions to submit public comments. ONRR will post all comments.
- Email comments to Armand Southall, Regulatory Specialist, at Armand.Southall@onrr.gov. Please reference the Docket No. ONRR-2011-0018 in your comments.

- Hand-carry comments or use an overnight courier service. Our courier address is Building 85, Entrance N-1, Denver Federal Center, West 6th Ave. and Kipling St., Denver, Colorado 80225. Please reference the Docket No. ONRR-2011-0018 in your comments.

FOR FURTHER INFORMATION CONTACT: Mr. Patrick Milano, Indian and State Audit, ONRR; telephone (303) 231-3434; or by email to *Patrick.Milano@onrr.gov*.

SUPPLEMENTARY INFORMATION: The following officials are the State contacts for their respective proposals:

State	Department	Contact Information
Montana	Montana Department of Revenue, Business, & Income Taxes	Van Charlton 125 North Roberts Helena, MT 59601-4558
New Mexico	Taxation and Revenue Department, Oil and Gas Bureau	Gilbert Martinez 1200 South St. Francis Drive Santa Fe, NM 87502-4034
Oklahoma	Oklahoma State Auditor & Inspector's Office	Mark Hudson Director, Minerals Management Division 3020 North Stiles Avenue Oklahoma City, OK 73105

In accordance with 30 CFR 1227.101(b)(1), the States requested that ONRR delegate the royalty management functions of conducting audits and investigations. The States requested delegation of these functions for producing Federal oil and gas leases within the State boundaries, as applicable. This is also for other producing solid mineral or geothermal Federal leases within the States. The States did not request delegation of royalty and production reporting functions. The States included their respective budget and work plans in their respective agreement applications. In addition, the States

requested ONRR to renew their delegations within the time required by 30 CFR 1227.110(b).

ONRR determined not to hold a formal hearing under 30 CFR 1227.105. Therefore, in accordance with 30 CFR 1227.107, ONRR delegated the royalty management functions of conducting audits and investigations to the States of Montana, New Mexico, and Oklahoma. The States of Montana and Oklahoma requested 100-percent funding of the delegated functions for a 3-year period beginning October 1, 2017, with the opportunity to extend for an additional 3-year period. The State of New Mexico also requested 100-percent funding of the delegated functions for a 3-year period beginning July 1, 2018, with the opportunity to extend for an additional 3-year period. The States' new audit delegation agreements with ONRR are shown in the table below:

State	Agreement Numbers	Term
Montana	D17AC00024	10/01/2017 – 9/30/2020 10/01/2020 – 9/30/2023
New Mexico	D18AC0004	7/01/2018 – 6/30/2021 7/01/2021 – 6/30/2024
Oklahoma	D17AC00021	10/01/2017 – 9/30/2020 10/01/2020 – 9/30/2023

Authority: 30 U.S.C. 1701 *et seq.*, Federal Oil and Gas Royalty Management Act.

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